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**CALFED
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Good evening, I am Shirley Batchman, and I'm here this evening representing California Citrus Mutual (CCM). CCM is a citrus producers' trade association with a membership that farms in excess of 110,000 acres throughout California.

The proposals outlined in the CALFED Bay-Delta draft programmatic EIS/EIR report will have enormous long-term impacts on irrigated agriculture in California. Since the release of the draft, a question is often asked in jest, "What are the odds of California agriculture reaching the status of endangered species?" In reality, if the report is implemented as drafted, perhaps the odds are better than envisioned.

FOOD REQUIRES WATER AND CALIFORNIA FEEDS THE WORLD.

Agriculture has been a predominant component of the state's economy for many years, currently producing revenues in excess of \$26 billion. Citrus is a viable segment of that revenue, contributing \$1.4 billion. The environment and climatic conditions allows for the production of over 350 commodities to be grown in the Golden State, and it goes without saying, the growing conditions in California cannot be replicated in any other quadrant of this country. Citrus is grown on 287,000 acres in the state with the preponderance of the industry, 195,000 acres, located in the citrus belt of the San Joaquin Valley. All citrus varieties are produced in the Valley, with Navel and Valencias oranges, the mainstays of the industry, representing the bulk of the acreage. The strict standards under which California agricultural is grown, harvested, packed and shipped make it the safest produce in the world. Is the U.S. consumer ready to settle for food and fiber which are not grown to the same standards? One other "food for thought." When America's food requirements are met predominately by imported products, what are the chances of American consumers being held hostage for food as they were for oil in the 1970's?

Our industry acknowledges that only a balanced approach to water usage/distribution will yield the long term solutions sought by all stakeholders. It is this belief that generated our industry's buy-in to the original Bay-Delta concept. It was marketed as a process which would generate a solution to ensure reliable, high quality water for California's people while addressing Bay-Delta environmental issues. The program's solution principles dictated that the proposal must be "equitable, affordable, be implementable and pose no significant redirected impacts." From our perspective, the proposal has failed to address the needs of agriculture. How do the framers of this proposal pass the "straight face test" when asked if all stakeholders have been given equal consideration and treatment under the draft proposal?

The CALFED document is massive in length, but significantly lacking in details on such key issues as water supply/storage, enhanced water management, economic impacts and land retirement.

Water Supply/Storage:

It is no secret that California's population growth is projected to increase by 15 million people in the next two decades. It is estimated that one million of these new residences will locate in one of the citrus producing counties of Tulare, Fresno, Kern or Madera.

- How will these additional water needs be met, both at the state level and more specifically, in the Valley?
 - Clarify if water supplies will be increased by a mere 200,000 acre-feet or further reduced by 700,000 acre-feet? Any credit given for the 1 million acre-feet already lost?
 - It appears that due to political pressure, CALFED has avoided or delayed every decision to develop new water storage and conveyance facilities that are required just to meet existing water needs, let alone have any vision for the future.
 - With this mind set and ecosystem restoration given top priority in this draft, the choices are obvious and limited.
 - Urban needs will be met, albeit the quality will be questionable.
 - From our perspective, there will be only one water bank left to draw from, **AGRICULTURE**. Once again, the farmer will be asked to do more with less.
- Detailed development of new water storage facilities and conveyance systems**

must be an integral part of this draft. Anything less is unacceptable, and from our perspective, will lead to the failure of the CALFED process.

Enhanced Water Management:

Good water practices dictate that growers follow the scientific data necessary to meet the optimum needs of crops. The citrus water formula is three and one-half acre feet of water per acre. **No More, No Less!** There are no benefits derived from additional irrigation. The downside of deficit irrigation is the stress on the trees which translates into smaller fruit size, less consumer demand, lower prices from the retailer and ultimately less money in the grower's pocket.

Citrus growers on the east side of the San Joaquin Valley have been leaders in water conservation for several decades. They rely on a combination of groundwater, surface water and rain to meet their irrigation needs. Any deviation from these supplies places an extra burden on the alternatives. Over the past years, growers have made a successful shift from furrow to low volume irrigation, with a 90 percent efficiency rating. Additionally, a better understanding of the irrigation needs of trees and evapotranspiration rates have enabled producers to better utilize their water supplies.

A majority of the San Joaquin Valley citrus producers secure a portion of their water supplies through member irrigation districts affiliated with Friant Water Users Authority, a derivative of the Central Valley Project. Friant employs a two-tiered water pricing system which encourages water management. **It is imperative that the CALFED process consider the adverse impacts on growers resulting from the implementation of the CVPIA before claiming any additional water supplies through the CALFED process.**

Economic Impacts:

It would be imprudent for the CALFED process not to evaluate the economic impact on specific geographical locations when considering further limiting or curtailing water allocations.

Citrus is a cornerstone of the economic foundation of the eastern side of the San Joaquin Valley. As stated earlier, the industry contributes \$1.4 billion to the state's ag revenue with close to \$1 billion coming from Tulare, Fresno, Kern and Madera Counties. The family farmer defines the citrus grower. Yes, there are corporate citrus growers, but the 100-acre grower is the

cornerstone of the industry.

Throughout the state there are 87 citrus packing houses with 63 houses located in the San Joaquin Valley. Citrus distinguishes itself from other perishable commodities due to the fact that it provides employment 10 months a year. The Central Valley alone employs 14,000 people generating an annual payroll in excess of \$161 million. The majority of these workers are permanent residences and provide the economic backbone of many rural communities such as Orange Cove, Woodlake, and Cutler/Orosi.

Packing houses spend an additional \$100 million annually on materials such as wax, cartons fungicides, etc. which sustains many auxiliary businesses.

Without a sustainable water supply, the crops' quantity and quality will suffer. The 1990 and 1998 freezes are straight forward examples of the impact on local economies when the citrus industry shuts down completely or harvests one quarter of a normal crop. Is this the unwritten objective of CALFED?

Land Retirement:

The policy statement on land acquisition has outlined a four-step process for restoration activities: (1) using existing public lands; (2) working with landowners who volunteer land or easements (3) a combination of fee and easement acquisition; (4) acquisition of fee title as necessary to achieve program objectives. This policy generates questions/concerns which need to be addressed in detail.

- How will the policy be implemented?
- Will a distinction be made between permanent plantings and row crops? Citrus trees are not fully producing until the fifth year after planting. Generally speaking, if the land has debt service, profits are not realized for 15 years.
- Citrus trees, on average, produce for 45-50 years.
- Contributions to enhanced air quality must be taken into consideration. Citrus trees produce 60 gallons of oxygen, per tree, per day. This equates to 1.4 billion gallons of oxygen generated per day by the evergreen citrus trees in the four-county citrus belt
- What are the projected numbers for land retirement, 200,000 or 900,000 acres?
- Where are the targeted locations?

- Will ag land acquisitions be limited to a specified percentage in a geographical area?
- The proposal must mandate that restoration work be completed and performance monitored and evaluated before additional land acquisitions are made.
- Ag land retired for environmental reasons must have additional land brought into production to mitigate the loss.

CALFED must recognize that agricultural resources are part of the existing environment and deserve the same priority and protection that is being granted ecosystem/habitat restoration.